



Tax Depreciation Report

2E/9 Waterside Place,
Docklands VIC 3008

Chun Hoe Chew
No 3 Jin Palma
1/1F Twin Plans Sg Long
43000, KAJANG SELANGOR Malaysia

Issue Schedule	
Issue Date:	Issued by:
18 October 2018	Mark Kilroy Bsc (Hons) MRICS

Chun Hoe Chew
No 3 Jin Palma
1/1F Twin Plans Sg Long
43000, KAJANG SELANGOR Malaysia

October 2018
Job No: RES3008017

Tax Depreciation Report – 2E/9 Waterside Place, Docklands VIC 3008

We thank you for choosing Koste Pty Ltd to prepare the attached Tax Depreciation report and schedule for the above property.

This report has been prepared to provide an independent review of Tax Depreciation entitlements available on the subject property, under The Income Tax Assessment Act 1997.

Koste Pty Ltd are a registered tax agent (24836767) who comply with the Tax Agent Services Act 2009. The attached schedule is based on an apportionment of the total expenditure, together with the Tax Commissioners current intentions in preparing this document.

As you continue to grow your portfolio, we would be pleased to provide you with free estimates of tax depreciation allowances on purchases. We can also provide updates for \$100+GST on any revised depreciation reports which may include new capital works and write-offs on disposed assets over the coming years.

The majority of our custom is based on repeat customers and from word of mouth. Testimonials are important to our business especially on social media including Google+, LinkedIn and Facebook. If you are pleased with our service and have some time to write a short testimonial on either social media or via an email, this would be greatly appreciated.

If you or your accountant require any further clarification on the contents of this report, please do not hesitate in contacting a member of our team on 1300 669 400 where they would be more than happy to assist.

Yours Sincerely

Koste Pty Ltd

Koste Pty Ltd
Tax Depreciation Quantity Surveyors



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1. Property Information

Date of Report

18 October 2018

Purchaser

Chun Hoe Chew

Property Address

2E/9 Waterside Place, Docklands VIC 3008

Real Property Description

LOT 2EE PS615760

Property Type

Residential Unit

Date of Construction

19 October 2015

Property Photo



2. Report Details

2.1 Introduction

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

Division 40 (Capital Allowances)

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

Division 40 (Capital Allowances) - Low Value Pool

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

Division 43 (Capital Works)

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

3. Capital Allowances

3.1 Entitlement

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

3.2 Qualifying Expenditure Calculation

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195.

3.3 Effective Life

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

3.4 Immediate Write-Off Assets

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

3.5 Low Value Pool

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

An asset that has a written down value under \$1000 in following years will be allocated to the low value pool and depreciated at 37.5% using diminishing value method. This method does not apply to assets that were depreciated using the prime cost method in any previous years.

3.6 Method of Depreciation

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.				
Benefits				
<ul style="list-style-type: none"> • Cash-flow during initial years of asset ownership • Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets) 				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
200 / 10 Years = 20% (Adjusted Value)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20

Prime Cost Method				
Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits				
<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
100 / 10 Years = 10% (Straight Line)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

4. Capital Works

4.1 Entitlement

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

4.2 Method of Depreciation

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

4.3 Method of Depreciation

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.

5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	18 November 15 to 30 June 16	6,684	2,084	8,768	2,582	11,350
2	1 July 16 to 30 June 17	8,274	3,387	11,661	4,201	15,862
3	1 July 17 to 30 June 18	6,340	3,116	9,456	4,201	13,657
4	1 July 18 to 30 June 19	4,726	2,641	7,367	4,201	11,568
5	1 July 19 to 30 June 20	3,630	2,363	5,993	4,201	10,194
6	1 July 20 to 30 June 21	2,853	1,842	4,695	4,201	8,896
7	1 July 21 to 30 June 22	2,194	1,494	3,688	4,201	7,889
8	1 July 22 to 30 June 23	1,511	1,607	3,117	4,201	7,318
9	1 July 23 to 30 June 24	1,281	1,004	2,285	4,201	6,486
10	1 July 24 to 30 June 25	825	1,296	2,121	4,201	6,322
11	1 July 25 to 30 June 26	708	810	1,518	4,201	5,719
12	1 July 26 to 30 June 27	611	506	1,117	4,201	5,318
13	1 July 27 to 30 June 28	530	316	847	4,201	5,048
14	1 July 28 to 30 June 29	272	557	828	4,201	5,029
15	1 July 29 to 30 June 30	254	348	602	4,201	4,803
16	1 July 30 to 30 June 31	237	217	454	4,201	4,655
17	1 July 31 to 30 June 32	221	136	357	4,201	4,558
18	1 July 32 to 30 June 33	206	85	291	4,201	4,492
19	1 July 33 to 30 June 34	193	53	246	4,201	4,447
20	1 July 34 to 30 June 35	180	33	213	4,201	4,414
21	1 July 35 to 30 June 36	168	21	188	4,201	4,389
22	1 July 36 to 30 June 37	157	13	169	4,201	4,370
23	1 July 37 to 30 June 38	146	8	154	4,201	4,355
24	1 July 38 to 30 June 39	136	5	141	4,201	4,342
25	1 July 39 to 30 June 40	127	3	130	4,201	4,331
26	1 July 40 to 30 June 41	119	2	121	4,201	4,322
27	1 July 41 to 30 June 42	111	1	112	4,201	4,313
28	1 July 42 to 30 June 43	103	1	104	4,201	4,305
29	1 July 43 to 30 June 44	97	0	97	4,201	4,298
30	1 July 44 to 30 June 45	90	0	90	4,201	4,291
31	1 July 45 to 30 June 46	84	0	84	4,201	4,285
32	1 July 46 to 30 June 47	79	0	79	4,201	4,280
33	1 July 47 to 30 June 48	73	0	73	4,201	4,274
34	1 July 48 to 30 June 49	68	0	68	4,201	4,269
35	1 July 49 to 30 June 50	0	359	359	4,201	4,560
36	1 July 50 to 30 June 51	0	224	224	4,201	4,425
37	1 July 51 to 30 June 52	0	140	140	4,201	4,341
38	1 July 52 to 30 June 53	0	88	88	4,201	4,289
39	1 July 53 to 30 June 54	0	55	55	4,201	4,256
40	2054+	0	91	91	5,471	5,562
Totals		43,289	24,908	68,196	167,691	235,887

The diminishing value method involves multiplying the remaining amount (or also known as the written down value) of the item by the depreciation rate each year. Hence the term diminishing value method as it diminishes in value each year never quite reaching zero.

Example

	DV Rate	Opening Value	Year 1	WDV	Year 2
Carpet	20%	\$1,000	\$200	\$800	\$160

6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	18 November 15 to 30 June 16	3,813	2,084	5,897	2,582	8,479
2	1 July 16 to 30 June 17	4,672	3,387	8,059	4,201	12,260
3	1 July 17 to 30 June 18	4,672	2,117	6,789	4,201	10,990
4	1 July 18 to 30 June 19	4,672	1,323	5,995	4,201	10,196
5	1 July 19 to 30 June 20	4,672	827	5,499	4,201	9,700
6	1 July 20 to 30 June 21	4,672	517	5,189	4,201	9,390
7	1 July 21 to 30 June 22	4,672	323	4,995	4,201	9,196
8	1 July 22 to 30 June 23	4,357	202	4,558	4,201	8,759
9	1 July 23 to 30 June 24	4,340	126	4,466	4,201	8,667
10	1 July 24 to 30 June 25	4,340	79	4,419	4,201	8,620
11	1 July 25 to 30 June 26	2,607	49	2,656	4,201	6,857
12	1 July 26 to 30 June 27	1,531	31	1,562	4,201	5,763
13	1 July 27 to 30 June 28	996	19	1,015	4,201	5,216
14	1 July 28 to 30 June 29	661	12	673	4,201	4,874
15	1 July 29 to 30 June 30	661	8	669	4,201	4,870
16	1 July 30 to 30 June 31	526	5	531	4,201	4,732
17	1 July 31 to 30 June 32	449	3	452	4,201	4,653
18	1 July 32 to 30 June 33	449	2	451	4,201	4,652
19	1 July 33 to 30 June 34	449	1	450	4,201	4,651
20	1 July 34 to 30 June 35	449	1	450	4,201	4,651
21	1 July 35 to 30 June 36	371	0	372	4,201	4,573
22	1 July 36 to 30 June 37	324	0	324	4,201	4,525
23	1 July 37 to 30 June 38	324	0	324	4,201	4,525
24	1 July 38 to 30 June 39	324	0	324	4,201	4,525
25	1 July 39 to 30 June 40	324	0	324	4,201	4,525
26	1 July 40 to 30 June 41	324	0	324	4,201	4,525
27	1 July 41 to 30 June 42	324	0	324	4,201	4,525
28	1 July 42 to 30 June 43	324	0	324	4,201	4,525
29	1 July 43 to 30 June 44	324	0	324	4,201	4,525
30	1 July 44 to 30 June 45	324	0	324	4,201	4,525
31	1 July 45 to 30 June 46	134	0	134	4,201	4,335
32	1 July 46 to 30 June 47	0	0	0	4,201	4,201
33	1 July 47 to 30 June 48	0	0	0	4,201	4,201
34	1 July 48 to 30 June 49	0	0	0	4,201	4,201
35	1 July 49 to 30 June 50	0	0	0	4,201	4,201
36	1 July 50 to 30 June 51	0	0	0	4,201	4,201
37	1 July 51 to 30 June 52	0	0	0	4,201	4,201
38	1 July 52 to 30 June 53	0	0	0	4,201	4,201
39	1 July 53 to 30 June 54	0	0	0	4,201	4,201
40	2054+	0	0	0	5,471	5,471
Totals		57,080	11,116	68,196	167,691	235,887

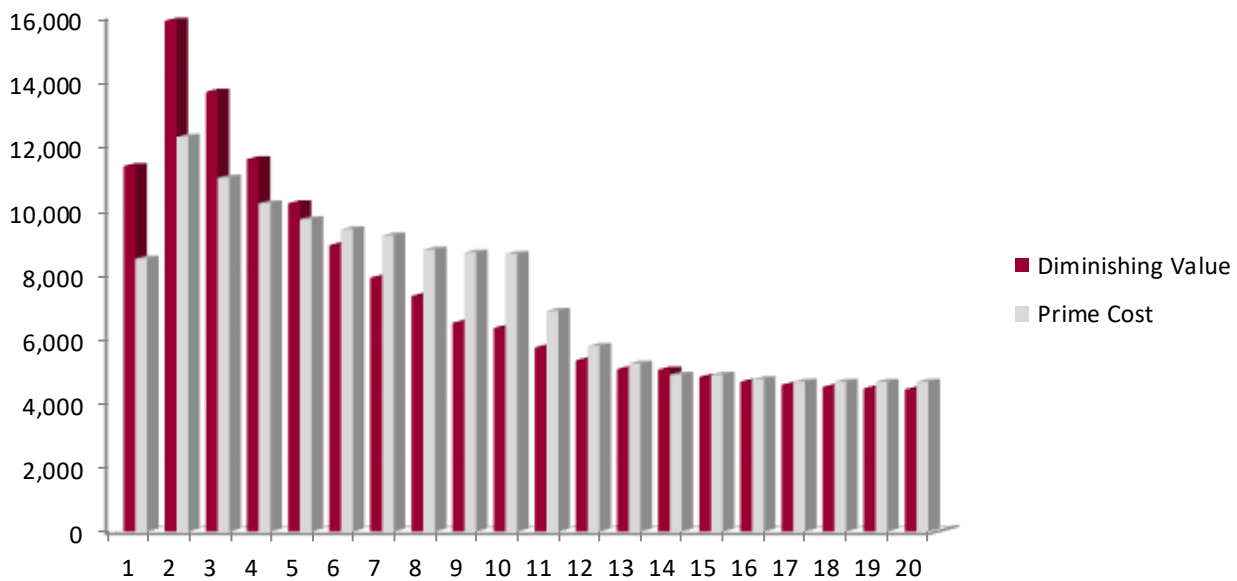
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

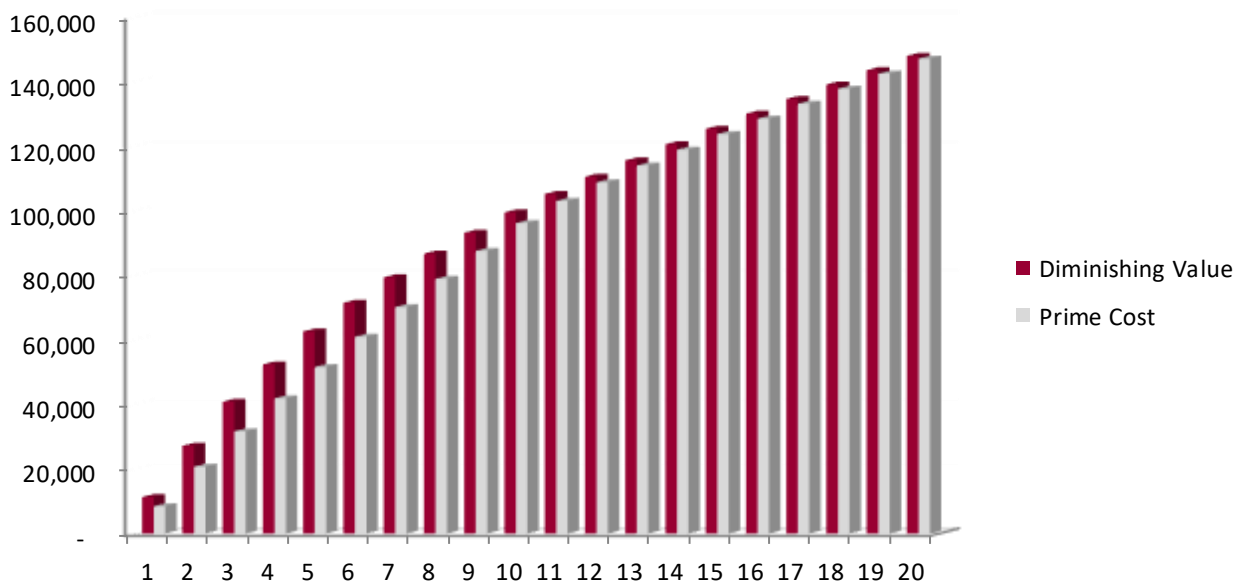
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



Advantages of using diminishing value method over prime cost method, as can be seen in the 20 year comparison graph, diminishing value method has higher deductions in the first few years. Prime cost method has lower deductions over the first few years, but around the 5-6 year mark starts to give higher deductions and in later years. However cumulatively they equal out at about the 10 year mark. It comes down to whether you want the higher deductions in the first few years or the more evenly spread out deductions approach.

8. Capital Expenditure Analysed

Purchase Details

Contract Date	12 December 2011
Settlement Date	18 November 2015

Expenditure Analysed

Purchase Price	\$515,000
Stamp Duty	\$1,871
Legals	\$2,057
Total Expenditure Analysed	\$518,928

Historical Construction Details

Construction Start Date	6 February 2014
Construction Completion Date	19 October 2015
Historical Construction Cost (Estimated)*	\$207,688

9. Reconciliation of Capital Expenditure

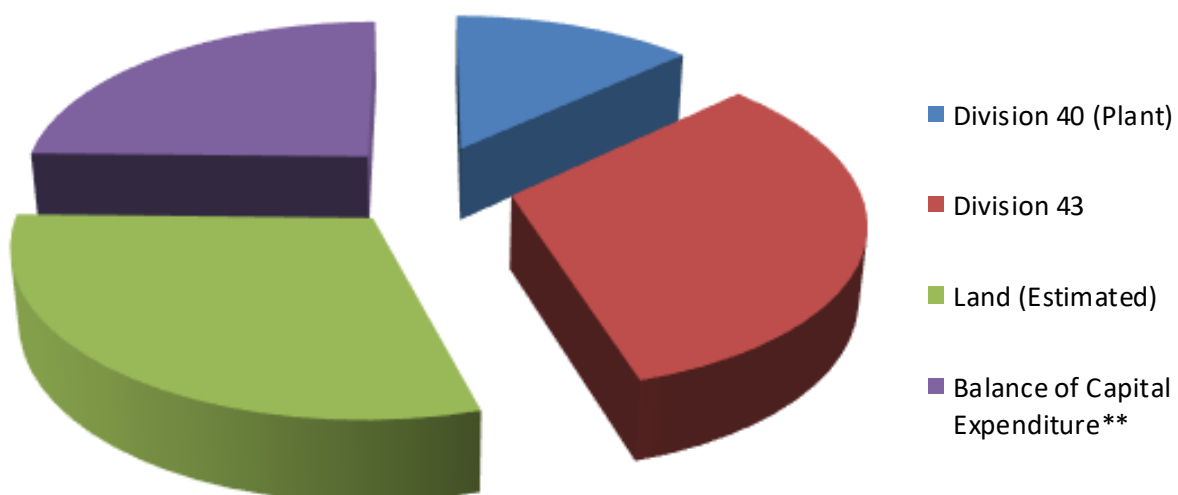
Apportionment of cost relating to:

Division 40 (Plant)	\$68,196
Division 43	\$167,691
Land (Estimated)	\$155,061
Balance of Capital Expenditure**	\$127,980
Total Expenditure Analysed	\$518,928

Notes

* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

** Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



10. Diminishing Value Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Air-conditioning assets (excl. ducting, pipes & vents)														
Mini split system upto 20KW	20.00%	18-Nov-15	15,878	1,952	2,785	2,228	1,783	1,426	1,141	913	730	584	467	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	18-Nov-15	1,059	198	323	202	126	79	49	31	19	12	8	
Blinds Residential														
	20.00%	18-Nov-15	2,117	260	371	297	238	357	223	139	87	54	34	
Door closers														
	18.75%	18-Nov-15	490	92	149	93	58	36	23	14	9	6	3	
Fire control assets														
Detection & alarm systems, detectors	18.75%	18-Nov-15	649	122	198	123	77	48	30	19	12	7	5	
Emergency warning & intercommunication system	18.75%	18-Nov-15	811	152	247	154	97	60	38	24	15	9	6	
Fire sprinklers - pumps only														
	10.00%	18-Nov-15	1,388	85	130	117	106	356	223	139	87	54	34	
Floor coverings (removable without damage)														
Carpets	20.00%	18-Nov-15	4,001	492	702	561	449	359	287	230	345	216	135	
Furniture														
	18.75%	18-Nov-15	4,374	820	1,333	833	521	325	203	127	79	50	31	
Hot water systems (excluding piping)														
Gas or electric	16.67%	18-Nov-15	4,088	419	612	510	425	354	295	246	205	171	320	
Kitchen assets														
Cooktops	16.67%	18-Nov-15	2,249	230	336	280	234	195	365	228	143	89	56	
Dishwashers	20.00%	18-Nov-15	3,176	390	557	446	357	285	228	342	214	134	84	
Ovens	16.67%	18-Nov-15	2,911	298	435	363	302	252	210	175	328	205	128	
Rangehoods	16.67%	18-Nov-15	1,191	122	178	334	209	130	82	51	32	20	12	
Stoves	13.33%	18-Nov-15	3,176	260	389	337	292	253	219	190	165	143	348	
Laundry assets														
Clothes dryers	20.00%	18-Nov-15	1,191	146	209	313	196	122	76	48	30	19	12	
Washing machines	20.00%	18-Nov-15	1,720	211	302	241	362	226	141	88	55	35	22	
Lifts (including hydraulic & tractions lifts)														
	6.67%	18-Nov-15	9,729	399	622	581	542	506	472	441	411	384	358	
Lights														
Shades, removable	18.75%	18-Nov-15	2,404	451	732	458	286	179	112	70	44	27	17	
MATV - amplifiers & modulators														
	18.75%	18-Nov-15	434	81	132	83	52	32	20	13	8	5	3	
Security systems & equipment														
Electronic	30.00%	18-Nov-15	2,213	408	541	379	332	207	130	81	51	32	20	
			Carried forward	65,248	7,591	11,284	8,934	7,041	5,789	4,567	3,608	3,068	2,254	2,102

Diminishing Value Depreciation Schedule (cont.)

Assets Generally		Diminishing	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment		Value Rate												
Brought forward				65,248	7,591	11,284	8,934	7,041	5,789	4,567	3,608	3,068	2,254	2,102
Swimming pools														
Above ground pools	18.75%	18-Nov-15	434	81	132	83	52	32	20	13	8	5	3	3
Concrete	18.75%	18-Nov-15	463	87	141	88	55	34	22	13	8	5	3	3
Ventilating plant														
Ventilation plant - fans only	10.00%	18-Nov-15	1,111	68	104	352	220	137	86	54	34	21	13	13
\$300 items														
	100.00%	18-Nov-15	941	941										
Pooled Plant Total					2,084	3,387	3,116	2,641	2,363	1,842	1,494	1,607	1,004	1,296
Effective Life Plant Total					6,684	8,274	6,340	4,726	3,630	2,853	2,194	1,511	1,281	825
Total Division 40				68,196	8,768	11,661	9,456	7,367	5,993	4,695	3,688	3,117	2,285	2,121
Division 43 - Capital Works Allowance														
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Building Works - Completed 2015		2.50%	18-Nov-15	166,900	2,570	4,181	4,181	4,181	4,181	4,181	4,181	4,181	4,181	4,181
Structural Improvements - Completed 2015		2.50%	18-Nov-15	791	12	20	20	20	20	20	20	20	20	20
Total Division 43				167,691	2,582	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201
Total Depreciation				235,887	11,350	15,862	13,657	11,568	10,194	8,896	7,889	7,318	6,486	6,322

11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost													
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Air-conditioning assets (excl. ducting, pipes & vents)														
Mini split system upto 20KW	10.00%	18-Nov-15	15,878	976	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	18-Nov-15	1,059	198	323	202	126	79	49	31	19	12	8	
Blinds Residential														
	10.00%	18-Nov-15	2,117	130	212	212	212	212	212	212	212	212	212	
Door closers														
	18.75%	18-Nov-15	490	92	149	93	58	36	23	14	9	6	3	
Fire control assets														
Detection & alarm systems, detectors	18.75%	18-Nov-15	649	122	198	123	77	48	30	19	12	7	5	
Emergency warning & intercommunication system	18.75%	18-Nov-15	811	152	247	154	97	60	38	24	15	9	6	
Fire sprinklers - pumps only														
	5.00%	18-Nov-15	1,388	43	69	69	69	69	69	69	69	69	69	
Floor coverings (removable without damage)														
Carpets	10.00%	18-Nov-15	4,001	246	400	400	400	400	400	400	400	400	400	
Furniture														
	18.75%	18-Nov-15	4,374	820	1,333	833	521	325	203	127	79	50	31	
Hot water systems (excluding piping)														
Gas or electric	8.33%	18-Nov-15	4,088	209	341	341	341	341	341	341	341	341	341	
Kitchen assets														
Cooktops	8.33%	18-Nov-15	2,249	115	187	187	187	187	187	187	187	187	187	
Dishwashers	10.00%	18-Nov-15	3,176	195	318	318	318	318	318	318	318	318	318	
Ovens	8.33%	18-Nov-15	2,911	149	243	243	243	243	243	243	243	243	243	
Rangehoods	8.33%	18-Nov-15	1,191	61	99	99	99	99	99	99	99	99	99	
Stoves	6.67%	18-Nov-15	3,176	130	212	212	212	212	212	212	212	212	212	
Laundry assets														
Clothes dryers	10.00%	18-Nov-15	1,191	73	119	119	119	119	119	119	119	119	119	
Washing machines	10.00%	18-Nov-15	1,720	106	172	172	172	172	172	172	172	172	172	
Lifts (including hydraulic & tractions lifts)														
	3.33%	18-Nov-15	9,729	199	324	324	324	324	324	324	324	324	324	
Lights														
Shades, removable	18.75%	18-Nov-15	2,404	451	732	458	286	179	112	70	44	27	17	
MATV - amplifiers & modulators														
	18.75%	18-Nov-15	434	81	132	83	52	32	20	13	8	5	3	
Security systems & equipment														
Electronic	15.00%	18-Nov-15	2,213	204	332	332	332	332	332	332	17			
Carried forward			65,248	4,754	7,730	6,562	5,832	5,376	5,091	4,913	4,486	4,400	4,356	

Prime Cost Depreciation Schedule (cont.)

Assets Generally		Prime Cost	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment		Rate												
	Brought forward			65,248	4,754	7,730	6,562	5,832	5,376	5,091	4,913	4,486	4,400	4,356
Swimming pools														
	Above ground pools	18.75%	18-Nov-15	434	81	132	83	52	32	20	13	8	5	3
	Concrete	18.75%	18-Nov-15	463	87	141	88	55	34	22	13	8	5	3
Ventilating plant														
	Ventilation plant - fans only	5.00%	18-Nov-15	1,111	34	56	56	56	56	56	56	56	56	56
	\$300 items	100.00%	18-Nov-15	941	941									
Pooled Plant Total					2,084	3,387	2,117	1,323	827	517	323	202	126	79
Effective Life Plant Total					3,813	4,672	4,672	4,672	4,672	4,672	4,672	4,357	4,340	4,340
Total Division 40				68,196	5,897	8,059	6,789	5,995	5,499	5,189	4,995	4,558	4,466	4,419
Division 43 - Capital Works Allowance														
		Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
	Building Works - Completed 2015	2.50%	18-Nov-15	166,900	2,570	4,181	4,181	4,181	4,181	4,181	4,181	4,181	4,181	4,181
	Structural Improvements - Completed 2015	2.50%	18-Nov-15	791	12	20	20	20	20	20	20	20	20	20
Total Division 43				167,691	2,582	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201
Total Depreciation				235,887	8,479	12,260	10,990	10,196	9,700	9,390	9,196	8,759	8,667	8,620

12. Division 43 Capital Works Schedule

The table below outlines the amount of Division 43 building write-off available for this property. The building write-off is claimed over forty years from the construction date of the works completed and is the remaining value after plant and equipment has been taken out.

Qualifying Building Allowance

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Building Works - Completed 2015	6 Feb 14 to 19 Oct 15	167,244	2.50%	4,181	166,900
Sub-total		167,244		4,181	166,900

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2015	6 Feb 14 to 19 Oct 15	792	2.50%	20	791
Sub-total		792		20	791
Totals		168,036		4,201	167,691

The table below demonstrates the various property types and the depreciation rates for Capital expenditure deductions. Eligibility is based on the date of construction commencement.

	Today - 27 Feb 92	26 Feb 92 - 16 Sept 87	15 Sept 87 - 18 Jul 85	17 Jul 85 - 22 Aug 84	21 Aug 84 - 20 Jul 82	19 Jul 82 - 21 Aug 79
Traveller Accommodation	4%	2.5%	4%	4%	2.5%	2.5%
Non Residential	2.5%	2.5%	4%	4%	2.5%	N/A
Manufacturing	4%	2.5%	4%	4%	2.5%	N/A
Residential	2.5%	2.5%	4%	N/A	N/A	N/A
Structural Improvement	2.5%	N/A	N/A	N/A	N/A	N/A

13. Definition of Terms

Adjusted Value	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
Balancing Adjustment	The balancing adjustment amount is the difference between the termination value and the adjustable value of a depreciating asset at the time of a balancing adjustment event.
Decline in Value	Deductions for the cost of a depreciating asset are based on the decline in value between any two dates. This report includes both methods of the decline in value of a depreciating asset; the prime cost method and diminishing value method.
Depreciating Assets	Assets with limited effective life that are reasonably expected to decline in value.
Diminishing Value Method	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
Effective Life	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
Immediate WriteOff	A depreciating asset which costs less than \$300 can be immediately written off at 100% of the total cost. This is only available where the asset is not part of a set e.g. table and chairs.
Installed Costs	This is the total cost of installing the asset inclusive of fees and labour etc.
Low Value Pool	Low cost assets which have a value between \$300 and \$1000. These assets are depreciated at 18.75% in the first year and 37.5% in each subsequent years.
Low Cost Asset	A depreciable asset with an installed cost of less than \$1000.
Low Value Asset	A depreciable asset that has an adjusted value of less than \$1000.
Non Eligible	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
Prime Cost Method	This is a method of calculating depreciation using a constant opening cost base often referred to as the "Straight Line" method.

14. Contact Details

COMPANY DETAILS	
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15. Disclaimer

This report has been prepared for the exclusive use of the parties named within this report, Koste Pty Ltd does not accept any contractual, tortious or other form of liability for any consequences that may arise from any other person acting upon or using this valuation.